

Santamauro, Jon

From: Mkirk@aipla.org
Sent: Monday, April 30, 2001 7:37 PM
To: scpcomments@uspto.gov
Cc: lois.boland@uspto.gov
Subject: AIPLA Comments on Substantive Patent Law Harmonization



PLT Comments.doc

Jon,

Attached are the comments of the AIPLA on the International Effort to Harmonize the Substantive Requirements of Patent Laws in respect of the questions raised in the Federal Register Notice of March 19, 2001. Please let us know if you have any questions or if we can be of help in any way.

Mike

April 30, 2001

Mr. Nicholas P. Godici
Acting Director of the United States
Patent and Trademark Office
Box 4
United States Patent and Trademark Office
Washington, D.C. 20231

Attention: Mr. Jon P. Santamauro

Dear Mr. Godici:

AIPLA is pleased to provide the following comments in response to the USPTO notice of March 19, 2001, (66 Federal Register 15409 - 15411), requesting input on 17 issues relating to patent harmonization.

The AIPLA is a national bar association of more than 12,000 members engaged in private and corporate practice, in government service, and in the academic community. The AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright and unfair competition law, as well as other fields of law affecting intellectual property.

AIPLA supports the goals of patent harmonization, which may be expressed as simplicity, certainty, and economy. As a major US professional association, AIPLA feels strongly that, in light of the significant procedural harmonization achieved by the widespread adoption of the Patent Cooperation Treaty (PCT) and the recently completed Patent Law Treaty (PLT), and the minimum intellectual property standards now being implemented as a result of the TRIPS portion of the Uruguay Round Agreements Act (URAA), the time is right to revisit the important objective

of substantive patent law harmonization in order to achieve the most effective, predictable, and economical acquisition and implementation of patent rights around the world for US applicants. Having said that, we would like to emphasize that there are several aspects of the laws of other countries that we believe fall short of those in the United States and it is our strong desire that the resulting treaty will be a reflection of best practices and not those of any given country or region.

AIPLA's comments are provided in relation to the specific USPTO questions, which are reproduced below. These comments set forth the current views of the Association on the questions raised, but we will continue to study these matters as the negotiations progress and may refine and revise our thinking in light of developments.

1. First to File vs. First to Invent: *"As to priority of invention, the United States currently adheres to a first-to-invent system. The remainder of the world uses a first-to-file rule in determining the right to a patent. Please comment as to which standard is the "best practice" for a harmonized, global patent system. It is noted that while the current draft of the treaty does not address this issue explicitly, it is likely that it will be raised in future meetings."*

AIPLA POSITION: AIPLA believes that the first to file standard is the best practice for a harmonized patent system.

Rationale: AIPLA has previously supported first to file in the context of a balanced overall harmonized patent system, and continues to be supportive of first to file in that context. Indeed, the significant changes in the global patent systems, via the URAA, AIPA, and PLT have significantly increased the desirability of a first to file system in the US.

While the goals of any patent system are best served by a process which provides fairness and certainty, the current first to invent system in the US has created a great deal of procedural complexity in the form of

interference proceedings and much uncertainty of results. This uncertainty occurs not only in inventorship contests, but also results from the different classes of prior art engendered by a first to invent system. The first to invent system often results in unfairness to poorly funded small and independent inventors, who often do not have the resources to cope with the interference process. All of this results from a system which, in the end, awards the patent to the first party to file in the overwhelming majority of cases. Changes in the US, including the ability to file a provisional application quickly and inexpensively with a minimum of formalities, and the complex, global nature of inventorship proofs, make first to file an imperative for a truly harmonized and balanced patent system.

2. Patentable Subject Matter: *“As to what inventions may be considered patentable subject matter, the United States currently provides a test of whether the invention is within one of the statutory categories of 35 U.S.C. §101 and within the “useful arts” as expressed in the United States Constitution. The “useful arts” test requires that the claimed invention have a practical application providing a “useful, concrete and tangible result,” see State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998). In contrast, the patent laws of some countries require that the invention provide a “technical contribution” in order to be eligible to be patented. The “technical contribution” requirement is generally considered to be more restrictive in determining what inventions may be patented.”*

AIPLA POSITION: AIPLA supports a patent harmonization treaty that would provide patent eligibility for all subject matter that can be shown to provide a “useful, concrete and tangible result,” but does not support any requirement for patent-eligible subject matter to have a “technical effect” or reside in a field of “technology.” This would, in fact, be essentially retaining the standard set forth in 35 USC 101.

Rationale: As technology has progressed into previously uncharted areas, the US patent system has been the incubator for groundbreaking means to provide incentives for innovation, ahead of other highly developed patent systems in, e.g., Europe or Japan. Many of the advances in biotechnology, computer software, and business methods do not fall into a particular

technical fields, nor can they always be categorized by traditional notions relating to “technical effect” or “industrial applicability” (see also questions 4 and 6). The flexible US standard was the first to provide protection in these important areas.

3. Best Mode Requirement: *“United States law currently provides for an enablement requirement, a written description requirement and a best mode requirement for patent disclosures. As to enablement, the standard of “undue experimentation” is applied. Regarding written description, United States law requires that the description convey to one of ordinary skill in the art that the applicant had possession of the invention as of the filing date of the application. The best mode requirement under United States law contains both subjective and objective components, with a subjective inquiry related to concealment on the part of the applicant. Standards vary among different patent systems as to disclosure requirements. For example, most other developed countries do not include a best mode requirement, yet many developing countries include or support a best mode requirement that is portrayed by some as a mechanism to compel technology and know-how transfer. The standard for evaluating compliance with such a requirement is an objective one; but, it is objective from the perspective of the examining authority.”*

AIPLA POSITION: AIPLA supports a treaty provision which would cause the US to remove the best mode requirement. No justification exists to retain this provision, which has evolved into a requirement to disclose the personal contemplations of the inventor, rather than a means to insure that the invention is effectively disclosed to the public. It creates an unnecessary target in litigation and would disadvantage inventors in the U.S. and other countries that provide for extensive discovery.

Rationale: See *Glaxo Inc. v. Novopharm Ltd.*, 34 U.S.P.Q.2d 1565, 52 F.3d 1043 (Fed. Cir. 1995), in which the court noted that the best mode “belongs” to the inventor. Little justification would seem to exist to retain this provision, which in the end only becomes fodder for litigation, and does

little to enhance the objective assessment of the completeness of the description of the invention.

4. Identification of Technical Fields: *“As to the contents of the claims, some patent systems require the identification of “technical fields” to which the claimed invention relates. This apparently limits, to some degree, the categories of invention to which claims may be directed. There is no such requirement under current United States law.”*

AIPLA POSITION: AIPLA supports a harmonization treaty where the identification of technical fields is not required.

Rationale: As technology has progressed into previously uncharted areas, the US patent system has been the incubator for groundbreaking means to provide incentives for innovation, ahead of other highly developed patent systems in, e.g., Europe or Japan. Many of the advances in biotechnology, computer software, and business methods do not fall into a particular technical fields, nor can they always be categorized by traditional notions relating to “technical effect” or “industrial applicability,” yet they are clearly worthy of patent protection. (See also questions 2 and 6).

5. PCT Unity of Invention Standard: *“With regard to the issue of multiple inventions contained in a single patent application, most of the world uses a “unity of invention” standard, which is also contained in the Patent Cooperation Treaty (PCT). For national applications, the United States currently uses a restriction practice based on independence and patentable distinctness between claimed inventions.”*

AIPLA POSITION: AIPLA supports a “unity of invention” standard, similar to the PCT, for examination of patents under a patent harmonization treaty. At the same time, no patent should be invalidated on the basis of a later determination of a lack of unity.

Rationale: The US is alone in its restrictive practices regarding unity of invention. The unity of invention standard as applied in the PCT has proven to be an effective global standard for patent examination. Indeed, as a result of the *Caterpillar* decision, the US was required to use the broader PCT standard for the national phase of PCT cases designating the US. Applicants have chosen to enter the US via the PCT. Thus, the US is already using this standard for some applications. Of course, the protective features of 35 USC 121, which prohibit the invalidation of patents which may later be determined to include more than one invention, should remain in place in order not to work an unfairness to applicants in the event of inconsistent application of the standard.

6. Utility vs. Industrial Applicability: *“United States law currently provides a utility requirement for patentability in 35 USC §101. Utility of an invention must be specific, substantial and credible. Most other patent systems have a requirement for industrial applicability. Industrial applicability is generally considered to be a narrower standard than utility, as it requires that the invention be usable in any type of industry.”*

AIPLA POSITION: AIPLA supports a harmonization treaty containing a utility, rather than industrial applicability, provision.

Rationale: The utility requirement in the United States holding that the invention must be specific, substantial and credible should be followed to allow the patenting of any invention which is currently and practically useful, unless such use is for an insubstantial purpose or effect. Certain restrictions found in some patent systems denying patentability to specific medical treatments and therapies are too narrow. Further, as noted above in relation to questions 2 and 6, as technology has progressed into previously uncharted areas, the US patent system has been the incubator for groundbreaking means to provide incentives for innovation, ahead of other highly developed patent systems in, e.g., Europe or Japan. Many of the advances in biotechnology, computer software, and business methods do not fall into a particular technical field, nor can they always be categorized by traditional notions relating to “technical effect” or “industrial applicability.”

7. Effective Date of Prior Art- 35 USC 102(e) and *In re Hilmer*: *“Current discussions in the SCP have indicated a willingness to implement a global priority date as to the prior art effective date of patent applications that are published or granted as patents. United States law now limits the prior art effective date of United States patents and United States patent applications to their effective filing date in the United States. See In re Hilmer, 359 F.2d 859 (CCPA 1966) and 35 USC §102(e). Further, United States law currently limits the prior art date as to foreign patent publications to their publication date, although international application publications are available as of their filing date, if published in English. See 35 USC §102(e).”*

AIPLA POSITION: AIPLA supports a harmonized patent treaty which would provide that all patents or published applications have a prior art effect from their global priority date.

Rationale: The unique US provision providing disparate treatment, in terms of the prior art effect, of applications filed under the Paris Convention outside the US compared to applications filed in the US, even including PCT applications designating the US, has been a source of friction with our trading partners for years. No justification for retaining this provision exists, particularly if the US adopts a first to file system.

8. Use of Prior Filed, Later Published Applications as Prior Art: *“United States practice allows patent applications to be considered prior art as to situations of both novelty and obviousness, provided the application is earlier filed and is published or granted as required by 35 USC §102(e). Some other patent systems apply this type of prior art only with respect to novelty, due to concerns of the effect of what may be considered “secret” prior art. Such a novelty-only system, however, may also allow for the granting of multiple patents directed to obvious variations of inventions.”*

AIPLA POSITION: AIPLA supports a treaty providing that the effective global priority date may be used for purposes of both novelty and obviousness.

Rationale: The needs for certainty and uniformity in a truly harmonized patent system dictate unified treatment of prior art. No justification exists to allow minor overlapping variations on patented inventions filed by the same or different applicants. In addition, while it is appropriate to take into account the possibility of applicant's own prior unpublished disclosure being used against an applicant, a consensus has not been established on how to best address this possibility.

9. Grace Period: *"United States patent law provides a "grace period." Disclosures by the inventor during the "grace period" do not have a patent defeating effect. Some other systems have an "absolute novelty" requirement such that any disclosures, including those made by an inventor himself, made prior to the date the application is filed, are considered prior art."*

AIPLA POSITION: AIPLA supports a grace period that is personal, i.e., which covers pre-filing disclosures made by or on behalf of the applicant, thereby providing appropriate safeguards to applicants, while retaining an appropriate level of certainty and fairness to the public.

Rationale: While the certainty of an absolute novelty system is urged by some of our trading partners, most systems have at least some saving provisions in place to prevent rank unfairness to applicants engendered by inadvertent or even unauthorized disclosures emanating from the inventors. At the same time, retention of the US one year grace period for all disclosures in a first to file world would add unacceptable levels of uncertainty and complexity, even preventing someone from having the ability to publish their development and dedicate their invention to the public.

10. Geographic Restrictions on Prior Art: *"Recent discussions at the SCP have indicated a willingness on the part of many member states to eliminate any geographical restrictions that limit the definition of prior art. Currently, United States prior art requirements limit certain types of*

disclosures to acts within particular geographical limitations, such as the territory of the United States."

AIPLA POSITION: AIPLA supports a treaty having a definition of prior art which has no geographical restrictions, i.e., disclosure anywhere in the world which is reasonably accessible to the public should be considered as prior art.

Rationale: In the age of the internet, information that is reasonably accessible to the public anywhere is available to the public globally. Thus, no justification exists to geographically limit prior art.

11. Loss of Rights Provisions- 35 USC 102(c), 102(d) and Public Use and On Sale Bar: *"United States law provides for loss of right provisions, as contained in 35 USC §§102(c) and 102(d), that discourage delays in filing in the United States. Further, 35 USC §102(b) bars the grant of a patent when the invention was "in public use or on sale" more than one year prior to filing in the United States. Secret commercial use by the inventor is covered by the bar in order to prevent the preservation of patent rights when there has been successful commercial exploitation of an invention by its inventor beyond one year before filing. Most other patent systems do not have such provisions".*

AIPLA POSITION: AIPLA supports a treaty which would eliminate the loss of rights dictated under section 35 USC 102(b), abandonment under section 102(c) and premature foreign patenting under section 102(d).

Rationale: As a corollary to the rationale in question 1, these existing bases for refusing the grant of a patent would necessarily be obviated by the change to a first-to-file system of priority.

12. Use of Multiple References for Novelty Rejections: *"Current United States novelty practice allows, in limited circumstances, the use of multiple references for the anticipation of a claim under 35 USC §102. These circumstances include incorporation by reference, the explanation of the meaning of a term used in the primary reference or a showing that a*

characteristic not disclosed in the primary reference is inherent. Some other systems have stricter requirements for the use of additional references as to the determination of novelty."

AIPLA POSITION: AIPLA favors a treaty where a novelty rejection must be based on a single reference. Additional references or extrinsic evidence should only be used to interpret the disclosure of the primary reference.

Rationale: Most patent systems employ a novelty standard which requires the use of only one reference. The harmonization treaty should retain this standard, and should narrowly prescribe conditions in which anything beyond the primary reference can be consulted.

13. Obviousness a la *Graham v. John Deere* vs. Problem Solution:
"United States practice in determining obviousness under 35 USC §103 follows the practice set forth in Graham v. John Deere, 383 US 1 (1966), and its progeny. Obviousness determinations vary throughout different patent systems. For example, some provide for a problem-solving approach, requiring the identification of a technical problem to be solved by the invention. There is no such requirement under United States law."

AIPLA POSITION: AIPLA believes that the *Graham v. John Deere* type obviousness determination is the preferable approach in a global harmonization treaty, and believes that the European Patent Office "problem-solution" approach is unacceptable as an inflexible, unworkable solution.

Rationale: The US provision regarding obviousness is the fairest to applicants, providing an analysis of the invention in the context of the art. The problem-solution approach is highly inflexible, lead to extremely artificial definitions of "problems" solved, rather than focussing on the motivation of a person of skill in the field, the latter being more consistent with the purposes of the patent system.

The problem-solution approach requires that each claim solves the problem described, such that a claim drafted in a way that does not solve the

described problem would not be patentable. This approach in essence limits the inventive step analysis to a showing of unexpected results, which is only one of the *Graham v. John Deere* factors. Further, an applicant faced with an obviousness/inventive step rejection where problem-solution approach is the standard, would be often required to produce experimental data showing that the described problem is solved by the invention, which data would otherwise be unnecessary to illustrate the invention. Moreover, the obviousness/lack of inventive step rejection may arise long after the inventor has moved onto other projects. Thus, to require development of new experimental data at the later date could place an unfair burden on the inventor in terms of additional expense to run experiments.

Additionally, under U.S. law, the recognition of a nonobvious problem (even with an obvious solution) can be the basis of patentability, while the EPO does not appear to recognize this as inventive contribution. Finally the EPO appears to want an improvement over the prior art (the old German influence) on which to predicate patentability. Again, under U.S. laws, any nonobvious solution, even if inferior to prior solutions, can be patentable.

14. Multiple Dependent Claim Practice: *“Current United States practice limits the filing of multiple dependent claims in 37 CFR § 1.75(c) such that these claims must refer to the claims from which they depend only in the alternative. Further, a multiple dependent claim cannot depend from another multiple dependent claim. Some other patent offices allow for multiple dependent claims without these restrictions.”*

AIPLA POSITION: AIPLA supports any procedure that would allow for the simple and inexpensive drafting and prosecution of claims and thus would support a treaty that would allow multiple dependent claims that depend from other multiple dependent claims, so long as it is clear that any multiple dependent claim should be construed to include all limitations of the claims from which it depends.

Rationale: AIPLA believes that this matter should be addressed in the regulations, not the treaty. Applicants should have substantial flexibility in pointing out what they regard as their invention, but examination offices

need reasonable safeguards to address abuses that effectively diminish the quality of examination.

15. Claim Interpretation: Peripheral vs. Central Claiming: *“There has also been discussion within the SCP regarding the manner in which claims should be interpreted as to validity. It is not clear at this time whether both pre-grant and post-grant interpretation issues will be addressed. However, we are interested in comments with regard to any claim interpretation issues at this time as these issues may appear in future SCP meetings. For example, the United States generally subscribes to a peripheral claiming approach to interpretation in which the language of the claims dominates, although United States law provides that when an element in a claim is expressed as a means or step for performing a function, the claim will be construed to cover the corresponding structure, material or acts described in the specification and equivalents thereof, see 35 USC §112, paragraph 6. Other systems take a different, centrally focused view of the claimed invention that allows, in certain circumstances, for broader interpretation of the scope of the claimed invention.”*

AIPLA POSITION: Bearing in mind the need for fair protection for patentees with a reasonable degree of certainty for third parties, AIPLA supports the approach that the language of the claim should be the exclusive measure of the legal rights under the patent. The goal should be to provide a clear and unified standard for claim interpretation that binds all Members.

16. Doctrine of Equivalents: *“With further regard to claim interpretation, the United States currently applies the “doctrine of equivalents” when appropriate in interpreting claims in post-grant infringement cases. The “doctrine of equivalents” has continued to evolve in the United States, especially in view of the recently decided case of Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558 (Fed. Cir. 2000). Furthermore, the European Patent Convention (EPC) was recently amended to provide a more explicit basis for “doctrine of equivalents” determinations in the text of newly added Article 2 of the Protocol on the Interpretation of Article 69 EPC. This doctrine has also been recognized in litigation in Japan. However, some systems do not provide for such equivalents.”*

AIPLA POSITION: AIPLA supports an approach that allows for a Doctrine of Equivalents that provides a fair balance between the rights of patent owners and third parties.

Rationale: Although the Doctrine of Equivalents is interpreted under national laws, it is important that any harmonization treaty specifically allow for the use of a standard that does not unduly restrict the claims to a narrow literal construction. On the other hand, the treaty should also require that the claims are not to be viewed as mere suggestions or guidelines on defining the invention.

17. Assignee Filing: *"United States practice now requires that a patent be applied for in the name or names of the inventor or inventors. However, some systems allow for direct filing by assignees. Although the draft treaty text is currently silent on this issue, it may be raised at future meetings."*

AIPLA POSITION: AIPLA favors a system in which the patent application is filed by the real party in interest, whether that party is the individual inventor, a group of joint inventors or the assignee of the application.

Rationale: The US is an outlier in the patent systems of the world in this respect, and continued insistence on a provision requiring that the application be filed only in the name of the inventor fails to recognize the commercial realities. This change should be accompanied by a retention of the requirement to name inventors.

We look forward to working with the USPTO in achieving the goals of patent harmonization.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Kirk". The signature is fluid and cursive, with the first name "Michael" and last name "Kirk" clearly distinguishable.

Michael K. Kirk
Executive Director

United States Patent and Trademark Office
April 30, 2001
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